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24 November 2016

Minister for Planning  
c/- Executive Director, Resource Assessments and Business Systems  
Department of Planning & Environment  
320 Pitt Street  
SYDNEY NSW 2000

Attention: David Kitto

Dear David,

**MOOLARBEN COAL COMPLEX STAGE 1 (05\_0117) – TEMPORARY COAL WASHING LIMIT INCREASE MODIFICATION (MOD 13)**

Moolarben Coal Operations Pty Ltd (MCO) is the operator of the Moolarben Coal Complex on behalf of the Moolarben Joint Venture (Moolarben Coal Mines Pty Ltd [MCM], Sojitz Moolarben Resources Pty Ltd and a consortium of Korean power companies). MCM and MCO are wholly owned subsidiaries of Yancoal Australia Limited (Yancoal).

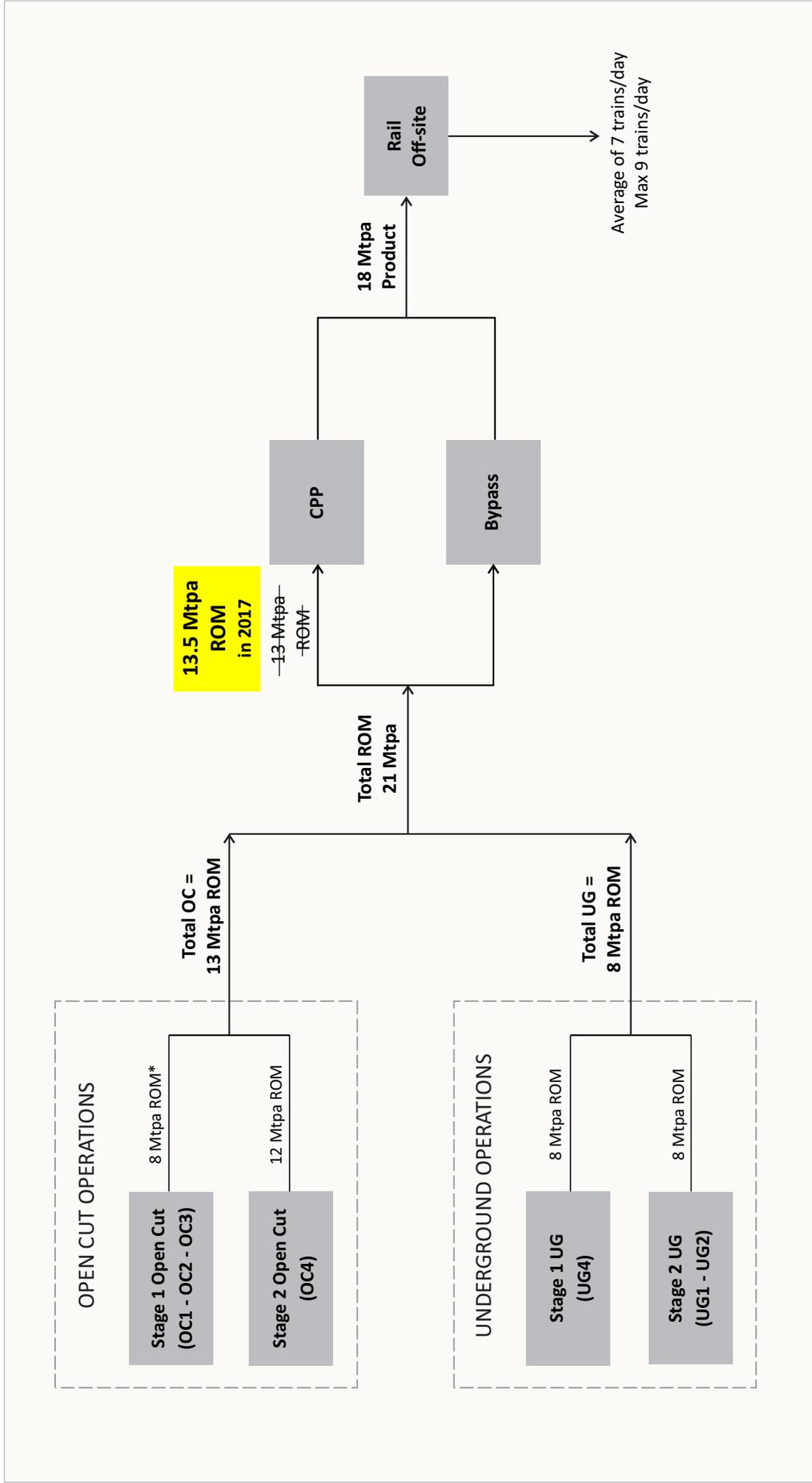
Mining operations at the Moolarben Coal Complex are approved until 31 December 2038 and are carried out in accordance with Project Approval (05\_0117) (Moolarben Coal Project Stage 1) and Project Approval (08\_0135) (Moolarben Coal Project Stage 2). The Stage 1 and Stage 2 Project Approvals authorise:

- the extraction of up to **8 million tonnes per annum (Mtpa)** of run-of-mine (ROM) coal from Stage 1 open cut pits<sup>1</sup>;
- the extraction of **12 Mtpa** of ROM coal from Stage 2 open cut pits;
- the handling of a combined total of **13 Mtpa** of ROM coal from the Stage 1 and Stage 2 open cuts;
- the extraction of up to a total of **8 Mtpa** of ROM coal from the Stage 1 and Stage 2 underground mines;
- the washing of up to **13 Mtpa** of ROM coal at the Coal Preparation Plant (CPP); and
- the production of up to **18 Mtpa** of coal for transport to customers by rail.

Figure 1 provides a schematic of approved ROM coal extraction, handling and washing limits.

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<sup>1</sup> Temporary limit of 9 Mtpa in 2015 and 2016.



LEGEND  
Modified Component

\* Note: 9 Mtpa ROM in 2016

Figure 1

### **Modification to Project Approval (05\_0117)**

MCO proposes to wash 13.5 Mtpa of ROM coal at the CPP in 2017 (13 million tonnes [Mt] from the combined Stage 1 and Stage 2 open cuts and 0.5 Mt from the Stage 2 UG1 underground mine).

Accordingly, MCO is seeking approval from the Minister for Planning (or delegate) for a modification to the Moolarben Coal Complex Stage 1 Project Approval (05\_0117) to temporarily increase the limit of ROM coal that can be washed from 13 to 13.5 Mt in the 2017 calendar year (herein referred to as “the Modification”).

No increase is proposed to the currently approved ROM coal extraction limits for the open cut (13 Mtpa) or underground (8 Mtpa) operations, or to the approved total product coal limit (18 Mtpa) (Figure 1).

MCO requests the Minister for Planning assesses the Modification under section 75W of the New South Wales (NSW) *Environmental Planning and Assessment Act, 1979* (EP&A Act)<sup>2</sup>.

Table 1 presents a summary of the proposed Modification compared to the approved Moolarben Coal Complex (Stages 1 and 2).

**Table 1**  
**Summary Comparison of Approved and Modified Moolarben Coal Complex**

Relevant Approval Component	Moolarben Coal Complex		Moolarben Coal Complex (including the Modification)
	Stage 1 Project Approval (05_0117)	Stage 2 Project Approval (08_0135)	
Operational Mine Life	Mining operations can be carried out until 31 December 2038.		Unchanged.
Hours of Operation	Mining operations can be carried out 24 hours a day, 7 days a week.		Unchanged.
Coal Extraction Limits	Up to 8 Mt of ROM coal can be extracted from the open cut mining operations in any calendar year <sup>1</sup> .	Up to 12 Mt of ROM coal can be extracted from the open cut mining operations in any calendar year.	Unchanged.
	Up to 8 Mt (total) of ROM coal can be extracted from the underground mining operations at the Moolarben Coal Complex in any calendar year.		Unchanged.
Coal Processing and Offsite Transport	Up to 13 Mt (total) of ROM coal from the Moolarben Coal Complex can be processed (washed) in any calendar year.	The Proponent shall ensure that all coal extracted from the site is sent to the Moolarben Stage 1 mine surface infrastructure area for processing (washing) and/or transport to market.	Up to 13.5 Mt (total) of ROM coal from the Moolarben Coal Complex would be processed (washed) in the 2017 calendar year.
	Total coal production of 18 Mtpa.		Unchanged.
	All coal is to be transported from the site by rail (average of 7 trains per day and peak of 9 trains per day).		Unchanged.
General Layout	The general layout is shown in Appendix 2A of Project Approval (05_0117).	The general layout is shown in Appendix 2 of Project Approval (08_0135).	Unchanged.

<sup>2</sup> The Moolarben Coal Complex Stage 1 is a ‘transitional Part 3A project’ under clause 2 of Schedule 6A of the EP&A Act and therefore section 75W of the EP&A Act continues to apply to modifications to Project Approval (05\_0117), despite its repeal

**Table 1 (Continued)**  
**Summary Comparison of Approved and Modified Moolarben Coal Complex**

Relevant Approval Component	Moolarben Coal Complex		Moolarben Coal Complex (including the Modification)
	Stage 1 Project Approval (05_0117)	Stage 2 Project Approval (08_0135)	
Blasting Limits	A maximum of 2 blasts a day and up to 9 blasts a week (averaged over a calendar year), can be carried out at the Moolarben Coal Complex.		Unchanged.
	Blasting can be carried out on site between 9.00 am and 5.00 pm Monday to Saturday inclusive. No blasting is allowed on Sundays, public holidays, or at any other time without the written approval of the Secretary.		Unchanged.
Biodiversity Offset Strategy	The Biodiversity Offset Strategy is shown conceptually in Appendix 8 of Project Approval (05_0117).	The Biodiversity Offset Strategy is shown conceptually in Appendix 7 of Project Approval (08_0135).	Unchanged.
Water Management Design and Objectives	Design, install and maintain the dams generally in accordance with the series <i>Managing Urban Stormwater: Soils and Construction – Volume 1 and Volume 2E Mines and Quarries</i> .		Unchanged.
	Ensure there is sufficient water for all stages of the project in accordance with Condition 29, Schedule 3 of Stage 1 Project Approval (05_0117) and Condition 25, Schedule 3 of Stage 2 Project Approval (08_0135).		Unchanged.
	Maximise as far as reasonable and feasible the diversion of clean water around disturbed areas on site.		Unchanged.
	Mine water storage infrastructure is designed to store a 50 year average recurrence interval 72 hour storm event.	Mine water storage infrastructure is designed to store a 100 year average recurrence interval 72 hour storm event.	Unchanged.
	On-site storages (including tailings dams, mine infrastructure dams, groundwater storage and treatment dams) are suitably lined to comply with a permeability standard of less than $1 \times 10^{-9}$ metres per second (m/s).	On-site storages (including tailings dams, mine infrastructure dams, groundwater storage and treatment dams) are suitably lined to comply with a permeability standard of less than $1 \times 10^{-9}$ m/s.	Unchanged.
Employment	Peak workforce of 740 personnel during 2017. Average operational workforce of 667 personnel.		Unchanged.

<sup>1</sup> Temporary limit of 9 Mtpa in 2015 and 2016.

### **Justification for the Modification**

Approved infrastructure to convey underground ROM coal directly to the product stockpile has not yet been constructed; hence ROM coal extracted from UG1 in 2017 prior to completion of the bypass conveyor will need to be processed through the CPP wash circuit. Approximately 0.5 Mtpa of ROM coal extracted during first workings development would need to be conveyed through the CPP wash circuit in 2017.

The Modification is justified on the basis that the increase in coal washing could be conducted with no change to environmental conditions and performance limits specified in the Stage 1 Project Approval (05\_0117) or Stage 2 Project Approval (08\_0135).

### ***Environmental Review***

The Modification would involve a temporary increase in the annual throughput of the CPP of less than 4% for year 2017. No modification to existing coal handling infrastructure (including ROM and product coal stockpile capacity) is required to accommodate this minor increase. Given this, and given there would be no change to open cut or underground extraction limits or total product coal (Figure 1), no material change in environmental impacts previously assessed and approved for the Moolarben Coal Complex would result from the Modification.

The Moolarben Coal Complex would therefore continue to be operated in accordance with the approved Environmental Management Plans and Strategies.

Further justification that potential impacts from air quality, greenhouse gas and noise emissions, site water demands, coal reject management and road/rail movements would remain within approved/acceptable levels is provided below.

#### ***Potential Noise Impact***

The modification would not change noise emissions of the site when assessed against the 15-minute intrusive noise criteria. ROM coal would be washed in the existing CPP (i.e. a previously assessed noise source) and therefore no change to the previously assessed  $L_{Aeq, 15 \text{ minute}}$  noise levels at receiver locations would occur due to the Modification.

MCO would continue to monitor noise levels in accordance with the approved Noise Management Plan.

#### ***Potential Air Quality Impact***

Potential dust emissions (including emissions associated with coal handling and processing) have been previously assessed based on the approved total ROM coal handling limit of 21 Mtpa (i.e. 13 Mtpa from the open cuts and 8 Mtpa from underground [Figure 1]).

There would be no increase to the approved total ROM coal handling limit for the Modification (Figure 1), and therefore, no increase in dust emissions.

MCO would continue to monitor ambient air quality levels in accordance with the approved Air Quality Management Plan.

### *Potential Impact on the Site Water Balance*

The Modification would result in a minor increase in the water demand associated with the CPP (less than 4%). Water demand at the Moolarben Coal Complex is met by the following water sources (in decreasing order of priority):

- water recovered from coal processing;
- licensed groundwater inflows to open cut and underground mining operations;
- runoff captured from the footprint of the mining disturbance area by the water management system;
- mine water imported from the Ulan Coal Mine under agreement with Ulan Coal Mines Limited; and
- groundwater licensed to be extracted from dewatering/production bores.

The water demand associated with the additional 0.5 Mt of ROM coal to be washed in the CPP is expected to have an immaterial impact to the site water balance for the Moolarben Coal Complex, and would be met using the water sources above.

In the unlikely event that MCO does not have sufficient water to meet the CPP demand, the scale of operations would be adjusted accordingly as per the requirements of Condition 29, Schedule 3 of Project Approval (05\_0117), which states:

#### ***Water Supply***

*(29) The Proponent shall ensure that:*

- (a) It has sufficient water for all stages of the project, and if necessary, adjust the scale of operations on site to match its available water supply;*

#### ***Coal Reject Management***

Reject material from the CPP is dewatered, conveyed to the Stage 1 ROM coal facility and then hauled or conveyed to an open pit void for emplacement.

No change to coal rejects management would be required for the Modification. The minor increase in reject material from the CPP would continue to be emplaced in open pits voids.

#### ***Potential Greenhouse Gas Emissions***

There would be no change to Scope 1 (i.e. direct) greenhouse gas emissions due to the Modification, as there would be no increase in diesel consumption or other direct sources of greenhouse gas emissions on-site. There would be a minor increase in annual Scope 2 greenhouse gas emissions due to increased electricity consumption for the CPP. There would be no increase in downstream Scope 3 greenhouse emissions associated with the combustion of product coal.

Energy consumption would continue to be monitored and managed consistent with the existing Energy Savings Action Plan and reporting under the National Greenhouse and Energy Reporting System.

#### *Traffic and Transport*

The Modification would not require additional employees, and therefore no change to vehicle movements associated with employees would occur. In addition, the Modification would not increase deliveries or visitors when compared to the total delivery and visitor vehicle movements previously assessed for the Moolarben Coal Complex when operating at full production. Therefore, additional road transport impacts would not occur due to the Modification.

There would be no increase to rail movements as a result of the Modification.

#### **Approvals Pathway**

The Moolarben Coal Complex Stage 1 is a 'transitional Part 3A project' under clause 2 of Schedule 6A of the EP&A Act and therefore section 75W of the EP&A Act continues to apply to modifications to Project Approval (05\_0117), despite its repeal<sup>3</sup>.

Section 75W of the EP&A Act relevantly states:

#### **75W Modification of Minister's approval**

(1) *In this section:*

**Minister's approval** means an approval to carry out a project under this Part, and includes an approval of a concept plan.

**Modification of approval** means changing the terms of a Minister's approval, including:

- (a) *revoking or varying a condition of the approval or imposing an additional condition of the approval, and*
- (b) *changing the terms of any determination made by the Minister under Division 3 in connection with the approval.*

(2) *The proponent may request the Minister to modify the Minister's approval for a project. The Minister's approval for a modification is not required if the project as modified will be consistent with the existing approval under this Part.*

(3) *The request for the Minister's approval is to be lodged with the Director-General. The Director-General may notify the proponent of environmental assessment requirements with respect to the proposed modification that the proponent must comply with before the matter will be considered by the Minister.*

(4) *The Minister may modify the approval (with or without conditions) or disapprove of the modification.*

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<sup>3</sup> Part 3A of the EP&A Act (as in force immediately before its repeal) continues to apply for the Moolarben Coal Project Stage 1. The description and quotations of relevant references to clauses of Part 3A in this document are as if Part 3A of the EP&A Act is still in force.

MCO requests the Minister for Planning assesses the proposed modification under section 75W of the EP&A Act.

**Potential Modification to Approval Conditions**

The Modification would require the following amendment to Condition 7, Schedule 2 of the Moolarben Coal Complex Stage 1 Project Approval (05\_0117), in accordance with section 75W(4) of the EP&A Act, as per Table 2.

**Table 2**  
**Potential Modification to Approval Conditions**

<b>Project Approval (05_0117) Condition</b>	<b>Proposed Amendment</b>
<i>Schedule 2 (Administrative Conditions)</i> 7. <i>The proponent shall not:</i>	
(a) <i>wash more than 13 million tonnes of coal at the coal handling and preparation plant on site in any calendar year;</i>	<i>wash more than 13.5 million tonnes of coal at the coal handling and preparation plant on site in 2017 and 13 million tonnes of coal in any calendar year from 2018 onwards;</i>
(b) <i>handle a total of more than 13 million tonnes of ROM coal on site that have been extracted from the open cut mining operations at the Moolarben Coal Complex in any calendar year; and</i>	No change required.
(c) <i>handle a total of more than 8 million tonnes of ROM coal on site that have been extracted from underground mining operations at the Moolarben mine Complex in any calendar year.</i>	No change required.

Please do not hesitate to contact the undersigned should you wish to discuss.

Yours sincerely,



**Mark Jacobs**  
General Manager, Environment & Approvals  
Yancoal Australia Limited